

**COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH**

**F A C T   S H E E T**

**APPROVAL TO RENEW A SOLE SOURCE ADMINISTRATIVE SERVICES  
ORGANIZATION AGREEMENT WITH VALUEOPTIONS, INC.  
FOR MANAGEMENT OF MENTAL HEALTH SERVICES  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to renew a sole source mental health administrative services organization agreement with ValueOptions, Inc., for Medi-Cal eligible Katie A. foster care minors placed outside of Los Angeles County.

**REQUEST**

Approve and instruct the Director of Mental Health, or his designee, to prepare, sign, and execute a sole source renewal Mental Health administrative services organization agreement (Agreement) with ValueOptions, Inc. (ValueOptions). This Agreement is for the coordination and management of specialty mental health services rendered by providers in the administrative services organization's (ASO) network to Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Medi-Cal eligible Katie A. foster care children and youth placed outside of Los Angeles County.

The term of the Agreement is for three years, effective July 1, 2009 through June 30, 2012, with two optional one-year extension periods, not to exceed a five-year contract term.

The annual Maximum Contract Amount (MCA) will be \$1,506,500, or an estimated total of \$4,519,500 over the three-year term, fully funded by EPSDT-State General Funds (SGF), Federal Financial Participation (FFP) Medi-Cal and sales tax realignment.

Delegate authority to the Director of Mental Health, or his designee, to execute future ASO amendment(s) with ValueOptions, subject to approval of County Counsel and the Chief Executive Officer (CEO) and timely notifying the Board office of each amendment action.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

The current ASO Agreement with ValueOptions expires June 30, 2009. The term renewal will enable the Department of Mental Health (DMH) to continue the provision of obligatory, uninterrupted and timely specialty mental health services, accessible throughout California, to the estimated 1,200 members of the "Katie A." certified class who are placed by the Court with relatives who reside outside of the Los Angeles County.

Renewal of the Agreement with ValueOptions will permit the County to avoid significant disruptions of service to this vulnerable population. Without an Agreement with ValueOptions, the County would require individual contracts with over 1,000 network providers throughout California to serve the target population.

## **BACKGROUND**

ValueOptions is a private managed care corporation with its main headquarters located in Norfolk, Virginia, an administration service center in Colorado Springs, Colorado, and a local administration office in Long Beach, California. ValueOptions administers a California statewide ASO program with outpatient specialty mental health services provided to full-scope Medi-Cal eligible out-of-county children and youth, ages 0 through 18.

ValueOptions began as an ASO subcontractor of California Mental Health Directors' Associations (CMHDA), selected in FY 1999-2000 through the solicitation process of "Request for Proposals" for Administrative Services Organization for Mental Health Services. Subsequently, Los Angeles County and other California counties obtained ValueOptions services through an ASO contract with CMHDA.

Due to the decision made by CMHDA to terminate its ASO contracts with all California counties effective June 30, 2004, 34 California counties turned directly to ValueOptions to obtain timely and accessible mental health services for the eligible Medi-Cal target population placed out of their county of residence.

Los Angeles County assumed a leadership role in that statewide effort, and on June 15, 2004 your Board approved DMH's entry into a sole source ASO contract with ValueOptions for the continuous provision of the critical services to that foster care population. The ASO contract will expire on June 30, 2009

ValueOptions serves an estimated population of 1,200 Los Angeles County foster care children and youth who are Medi-Cal eligible and Katie A. certified class members, residing outside of Los Angeles County. ValueOptions provides this vulnerable population with a network of mental health service providers who meet their cultural, linguistic, and specialty needs, consistent with federal and state requirements, 24 hours a day, 365 days a year. The ASO services include credentialing licensed network providers, determining service needs, authorizing claims, reimbursing network providers, and handling complaints and grievances.

### **CONTRACTING PROCESS**

This is a sole source contract renewal. The sole source recommendation is based on DMH's historical experience that ValueOptions has been consistently providing timely and accessible mental health services to County's foster care Katie A. certified class members placed by the Court with their relatives residing outside of Los Angeles County. It is in the interests of Los Angeles County to demonstrate full compliance with the terms and conditions of the Katie A. Settlement Agreement. Current ASO Agreement will expire June 30, 2009. DMH requests your Board for a three year renewal contract term.

### **DMH Contact:**

Olivia Celis-Karim, Deputy Director  
Children and Family Services  
Telephone Number: (213) 738-2147  
Email Address: ocelis@dmh.lacounty.gov

### **APPROVED BY:**

DMH Program – Paul McIver  
DMH Contracts – Alice Wong  
Chief Executive Officer – James Sokalski  
County Counsel – Rich Mason